



Elizabeth Dunton
Acting Director

RHODE ISLAND
Department of Tourism, Culture and Development
3275 Post Road • Warwick, RI 02886
401.738.2014 • Fax 401.732.7662
visitwarwickri.com

Frank J. Picozzi
Mayor

March 20, 2026

The Honorable Robert Britto
Chair, Senate Commerce Committee
82 Smith Street
Providence, RI 02903

Chairman and Members of the Committee,

We are writing from The Warwick Tourism, Culture and Development office and would like to express our strong support for S 2344.

Like many hospitality businesses in Rhode Island, Warwick's operate on thin margins while facing rising costs for food, labor, rent, insurance, and utilities. At the same time, most of their customers now pay with credit cards. As a result, swipe fees are one of their fastest-growing operating expenses.

Currently, swipe fees are charged on the entire transaction amount, including:

- State and local sales taxes that local businesses are required to collect and remit to the state; and
- Gratuities that guests voluntarily leave for their employees.

These funds are not revenue to their businesses. They do not keep sales tax, and gratuities are passed directly to their staff. Yet they pay percentage-based interchange and assessment fees on those amounts as if they were part of their sales.

S 2344 would simply require that separately listed taxes and gratuities be excluded from the swipe fee calculation. It does not cap interchange rates or regulate overall pricing. It ensures that businesses are not charged fees on money that does not belong to them.

Their point-of-sale systems already itemize taxes and gratuities separately, so this reform aligns with existing business practices. For small hospitality operators, the savings from this change would be meaningful and could be reinvested in wages, improvements, and price stability for Warwick's guests.

We respectfully urge you to support S 2344.

Sincerely,

Elizabeth Dunton

Elizabeth Dunton
Director

Susan Baker

Susan Baker
Business Development Planner

